

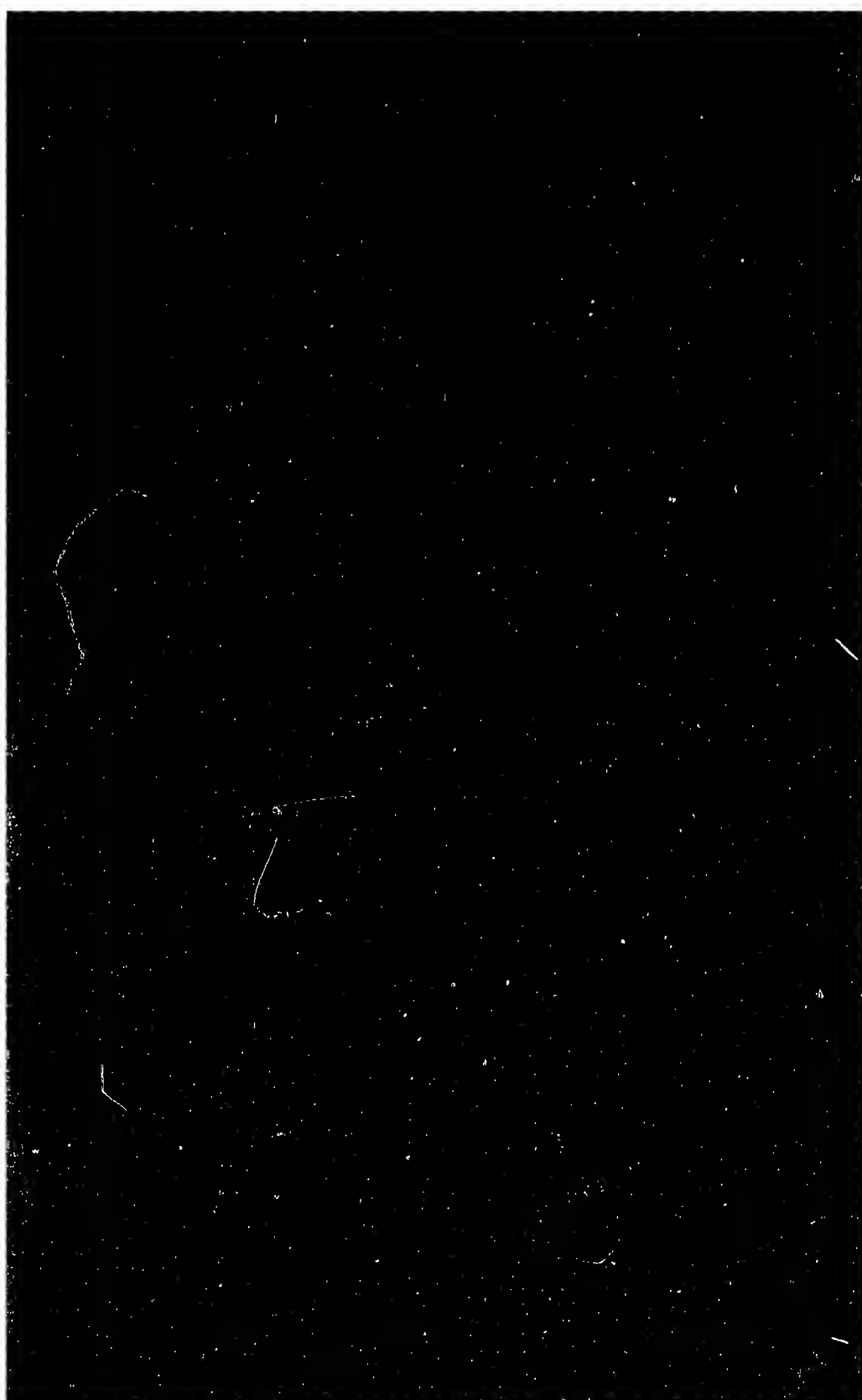
AMES.

OUR WESTERN HERITAGE AND
HOW IT IS BEING SQUANDERED
BY THE LAURIER GOVERNMENT.

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Our Western Heritage

And How It is being

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Government



Being a brief Summary of the Criticisms offered in the House of Commons of Canada during the Tenth Parliament as to the manner in which the Laurier Government has administered the Western Lands, as contained in a Lecture delivered by HERBERT B. AMES, M.P.

Ottawa, July 1st, 1908.



INTRODUCTION.

To us Canadians has been granted the task of opening up and developing "The Last Best West." With a knowledge of the successes and failures of our neighbours to the south of us and with their experiences of western conditions gained during the past fifty years, there is no sufficient excuse if we fail in this task. The Canadian people have a right to ask and to expect that any government, which seeks their confidence, shall deal with this great question in a wise, honest and statesmanlike manner.

THE WEALTH OF THE WEST.

The immense area between the eastern limit of the province of Manitoba and the Rocky Mountains is a country of diverse wealth. It may be roughly classified as comprising four great areas. On the north lies the great spruce forest stretching from Lake Winnipeg to the Mackenzie Basin, a belt of wooded land 300 miles in width, traversed by floatable rivers and containing considerable quantities of merchantable timber; between Winnipeg and Edmonton and east of the Rocky Mountains lies the prairie agricultural belt containing 100,000,000 acres of arable land; within and encircled by the agricultural belt lie the grazing areas. Just east of the Rocky Mountains in Southern Alberta is a district which has produced marvellous crops under cultivation by irrigation. Nor is this all. Along the foot-hills of the Rocky Mountains and still further eastward there are areas containing valuable coal deposits. The northern lakes are full of excellent food fish. Such is the natural wealth of the Canadian West.

WHAT IT COST TO ACQUIRE.

In this great western heritage we, one and all, have a personal interest.

It has cost us vast sums to acquire and to develop. In 1870 we bought out the interests of the Hudson Bay Company, giving them \$1,500,000 and allowing them to retain one-twentieth part of the land. Then in order to keep faith with the people of British Columbia and to open up the country we spent \$65,000,000 in building a transcontinental railway. Besides this, in order to explore, survey, develop and govern these territories, we have spent many millions more.

THIS IS OUR GREAT INVESTMENT.

We have taxed our pockets, we have strained our credit to accomplish this development. We have done this because we believed that in the west lay the hope of the Dominion. The lands of these new provinces represent opportunity for our sons, they are our best advertisement to desirable immigrants; they furnish, as population increases, a magnificent home market for our eastern manufactured products. For these reasons we have spent our money in developing the northwest.

HOW IT HAS BEEN ADMINISTERED.

The administration of these public lands rest in the hands of the Federal authorities at Ottawa. The government acts as trustee for the people of Canada. We, of the Conservative opposition in the House of Commons, have criticised the Liberal party of the day on the ground that they have not properly managed these assets. We assert that they have permitted vast fortunes to be made at the expense of the public by favored individuals; that they have neglected to consider the interest of the settler. This has been our contention. It is not mere assertion, we have produced proof and it is this proof which I propose to lay before you to night.

We will now take up one by one the natural resources of this western land dealing with the timber, the agricultural and the grazing lands, the coal areas, the water powers, the fisheries of the Western Provinces, all of which are administered by the Ottawa government and we will show why in our opinion the present administration should be condemned for their action in dealing with each of these.

PART I.—THE TIMBER LANDS.

As is well known the prairie for the most part is comparatively treeless. Here and there are small areas of poplar and spruce, but the trees are rarely of sufficient size or quality to furnish building material. The farmer must look elsewhere for the lumber with which he shall build.

Prior to 1900 little was known regarding the great northern forest. Manitoba's demand for lumber was supplied from western Ontario, the Alberta demand from the Rocky Mountains, and there were few settlers between. As the prairies began to fill with population a vast amount of timber was required for railway building and for settler's houses. A line of railroad had been pushed north to Prince Albert, and it was found that there existed immense areas of fine spruce timber in the regions drained by the North Saskatchewan river.

WHAT SHOULD HAVE BEEN DONE.

Now the government should have explored and valued these areas before parting with them.

This is what you would have done had some relative unexpectedly left you as a bequest a stretch of land of which you had no previous knowledge.

But the government parted with these timber lands before it had any idea as to their value and now that they are gone has cause to regret its negligence. These limits are to-day worth from \$1,000 to \$3,000 and in some instances \$5,000 per mile, for the leases are practically perpetual. The men who have secured these areas for a bagatelle have become in consequence multi-millionaires.

HOW MUCH TIMBER PASSED INTO PRIVATE HANDS.

It is customary for the defence of the present administration, when hard pushed to find an excuse for the present government's action with reference to the timber of the Northwest, to declare that under Conservative rule, prior to 1896, a large area was alienated, leaving the hearer to infer that these areas passed permanently out of the control of the government of Canada. This was not the case. It is true the Conservatives leased extensive tracts of timber land, but they exacted such conditions of operation from the grantees that no less than 94 p.c. of the area came back to the Crown. Of all the areas granted prior to July, 1896, only 1720 miles were retained by the grantees, and, when the present Liberal administration came into office, there were but 1,860 sq. miles of timber under lease in the three provinces of Manitoba, Saskatchewan and Alberta. This did not, however, long continue. There are nearly 6,500 sq. miles under lease at the present time. A careful analysis shows that about 30 p.c. of the area under lease is being actually cut over, that 20 p.c. is being held in reserve by *bona fide* lumber companies and that 50 p.c. is in the hands of speculators. The government have leased practically all the good timber south of the watershed; and the reserves of Winnipeg, Prince Albert and Edmonton are in speculative hands.

HOW THE REGULATIONS WERE ALTERED.

The regulations too have been changed so as to greatly encourage the speculator. Prior to 1903 the Minister of the Interior was under no obligation to renew a license from year to year, if the land was required for settlement or other purpose, but Mr. Sifton altered this and by Order-in-Council of April 14, 1903, it was decreed that "so long as the licensee complies with the conditions of his license and of the regulations he shall be entitled to a renewal of his license from year to year while merchantable timber remains upon the area licensed." This change in the regulations makes the lease practically perpetual,

adds greatly to the value of the berth and has doubtless stimulated speculation to a marked degree.

WHO HAVE PROFITED.

Within the comparatively short period of three and a half years, between 1902 and 1905, more than three thousand square miles of selected timber, that is to say about one-half of the entire area under lease in the western provinces, fell into the hands, not of operators but of speculators. One half of this amount, comprising 25 p.c. of the timber of the three provinces, Manitoba, Saskatchewan and Alberta was acquired by a group, which may be called the Burrows-Fraser combination, of which the brother-in-law of the then Minister of the Interior, Mr. Sifton, was the central figure, under circumstances so peculiar as to have excited general comment.

An analysis of the holdings of this group shows T. A. Burrows as having secured 549 square miles, the Imperial Pulp Company 417 square miles, the Big River Lumber Company 250 square miles, A. W. Fraser, alias John McBean, 250 square miles, A. W. Fraser, for himself, 120 square miles—in all 1,586 square miles of selected timber, only 109 square miles of which are being operated, the remainder held, presumably for speculation.

The extent of the holdings of this favored group may be illustrated: Were these selected blocks, nearly 250 in number, out of an area many times their size, placed end to end they would form a continuous strip of thick timber, one mile wide, stretching from Montreal to Winnipeg, or, putting it another way, they would be the equivalent of a strip half a mile in width clear across the continent.

PHENOMINAL SUCCESS IN TENDERING.

In the acquisition of these limits, under the quasi form of competition then followed by this government, the members of the "Inner Circle" have been remarkably successful. T. A. Burrows, brother-in-law to the ex-Minister of the Interior, owned in 1901 three limits. Between June of 1902 and June of 1905 Mr. Burrows bid, directly or indirectly, nineteen times for timber berths. He succeeded eighteen times, he failed once.

Such success is quite out of the ordinary. For example, take the experience of Messrs. H. & K. McDonald, Mr. Burrows' most active competitors, who stand second on the list by way of extent of holdings. The McDonalds were shrewd bidders. Kenneth McDonald was a practical lumberman and explored the timbered regions of the West. Hector McDonald, his brother, looked after the Ottawa end of the timber speculation business. During the period of Mr. Burrows' wondrous success the McDonalds bid on thirty occasions. They were successful fourteen times; they failed sixteen times. For the limits which they secured they paid in the aggregate three times the next highest bidder; for the limits they lost they averaged 62 per cent. of highest bids. Burrows almost

never failed, and when he cleared the jump he had but little to spare.

WAS THERE REAL COMPETITION?

Whenever the holdings of the brother-in-law of the Ex-Minister of the Interior and of his associates are criticized, the argument is always advanced in defence that these limits were obtained at public competition, and that they went to the highest bidder. I propose, in order to test the validity of this defense, to give the history of some of the transactions which have been discussed in the House of Commons and to show that the so-called public competition was little better than a travesty. Not only was the system wholly bad, but there are strong grounds to believe that fraud and imposition were practiced, and the government, in refusing to permit a parliamentary inquiry into this whole matter, has strengthened the belief, wellnigh universal, that these transactions could not bear the light. Let us then take up the stories of some of these berths. We will begin with that of the Cedar and Moose Lake limits, which are of special interest since it was in respect of these transactions that the war to secure possession of the original documents was waged.

THE CEDAR LAKE LIMIT.

Just north of Lake Winnipegosis there lies a lake called Cedar Lake, on the shores and islands of which there is much valuable timber. In September, 1903, A. W. Fraser, an Ottawa lawyer, not long since President of the Ottawa Liberal Association, applied to have put up for sale a timber berth to include 60 square miles on this lake. His request was at once granted. The notices were issued on the 12th of October, calling for bids to be received and opened at Ottawa on the 2nd of December. One advertisement and one only appeared in the Manitoba Free Press and in the Dauphin press. Now, Cedar Lake lies 100 miles north of the railroad. In order to reach it, one must take the train to Winnipegosis, from which point an occasional fishing tug can be taken for points at the northern end of that lake. But the steamer service comes to an end the latter part of October and the ice commences, early in November, to form upon Lake Winnipegosis. Since the advertisements did not appear in the western papers before the 20th of October, it will be seen that it was quite impossible at that time of the year for any one to visit the limit, examine the timber, put in a bid with a cash deposit and have the same reach Ottawa by the 2nd of December. Competition was impossible. It is reasonable to conclude that the authorities at Ottawa intended to make it so. As was no doubt expected there was but one bid, that of the applicant, Mr. Fraser, and this gentleman offered the paltry sum of \$500 and secured the limit. Shortly after its acquisition the area of the berth was increased to 90 sq. miles without additional bonus, so that Mr. Fraser secured his limit at the rate of \$5.56 per sq. mile or at a little less than one cent an acre.

Now that limit, acquired for speculative purposes by Mr. Fraser, was placed for sale in the hands of certain Winnipeg agents. Their prospectus offering the property to a prospective buyer was read in the House of Commons. I have the original document issued by J. Haffner & Son, real estate agents, 367 Main street, Winnipeg, which reads as follows:—

"Cedar lake, which is situated on Saskatchewan waters is comprised of something over 100 square miles and is estimated at 250,000,000 feet. The timber on this berth would work to advantage in connection with the former berth. As you will notice by the accompanying plan there is one short portage to land the logs from Cedar lake to Lake Winnipegosis, a distance of from two and half to three miles. The waters in both lakes are of the same level and the country lying in between the two lakes is of a low flat nature. The timber is immediately surrounding the shores of the lake stated, for sixty square miles, together with the islands or portions of the islands that have been selected. The survey has been made, but up to the present I am not in possession of the plans. The timber is of good quality and fairly clean, more so than the timber in the Erwood and Red Deer districts, but not quite so large. *The price for this block is \$500,000.*

Can any one defend the government for permitting so valuable a concession to pass into a speculator's hand under such circumstances.

THE MOOSE LAKE LIMIT.

Just north of Cedar Lake lies a still larger sheet of water known as Moose Lake. This also drains into the Saskatchewan river. The lake is as large as Lake Nipissing and there is some very fine timber located nearby. Mr. Fraser applied for this limit also at the time that he asked for Cedar Lake. There was the same insufficiency of advertisement and opportunity for competition. Mr. Fraser, apparently expecting to have it all his own way, put in a nominal bid of \$1,000. But there was a surprise in store for him, for, late in the morning of the day on which the bids were to be opened, a tender reached the department from James Currie, associated with the McDonalds, who offered \$6,420 for the limit. Then a third tender appeared in the name of W. H. Nolan, containing a \$7,000 cheque and this last offer captured the limit.

THE ORIGINAL DOCUMENTS.

Now, these three tenders were the original documents over which there was so much discussion in the House. The government furnished the Opposition with typewritten copies. These, however, did not carry all the information that was required. We demanded the originals and our demand was refused. Finally, after a two weeks struggle, the originals were brought down and what did they disclose? They showed that the tender of A. W. Fraser and W. H. Nolan were in the same hand writing. Subsequently Mr. Fraser under oath admitted that he wrote them

both. He stated that he had at first tendered on his own behalf, offering \$1,000 for the limit, that during the morning Mr. Burrows, the brother-in-law of the Minister, had called to see him, had asked him to prepare another tender and that he had used the name of W. H. Nolan as though it were his own. Mr. Fraser had handed the letter in an unsealed envelope to Mr. Burrows, and this latter gentleman had enclosed the \$7,000 cheque which captured the limit with a little to spare. Now the conundrum to which there has been as yet no satisfactory answer is this: How did Mr. Burrows know that \$7,000 was the sum required to win the limit? This timber berth, even more valuable than the Cedar Lake limit, subsequently passed into the hands of a company known as The Imperial Pulp Company whose operations became the subject of investigation on the part of the Opposition.

THE IMPERIAL PULP COMPANY.

This organization seems to have been formed for the sole purpose of acquiring, holding and selling timber limits. It had no office, save a Winnipeg post box. Its officials were undisclosed. It was eventually learned that the Hon. D. H. McMillan, lieutenant-governor of Manitoba, was president, that T. A. Burrows was managing director, and that a youth, formerly typewriter to Mr. Burrows, was the secretary. Whether there were other shareholders we were unable to learn. The holdings of this company on the North Saskatchewan and on its branches above Edmonton are valued to-day at \$750,000, while the Moose Lake limit, according to the prospectus issued by an authorized agent, is held at \$500,000 more. Not a stick of timber has yet been cut by this company from any of its limits, although most of the areas have already been held for five years or more; nor has any saw mill been erected, or any activity shown which would entitle this company to be regarded as anything but a speculator in timber property.

THE IMPERIAL PULP COMPANY AS A BIDDER FOR LIMITS.

The Imperial Pulp Company appears upon the scene as a bidder for timber berths between December, 1902, and February, 1904. During these two years this company, under divers names, observing the greatest secrecy, bid upon nine limits. It never asked to have a limit put up, but it never failed to secure a limit upon which it bid. The total of its bids amounted to \$54,975, the total of the next highest bidders in the nine cases amounted to \$51,771, a difference of only \$3,204. In other words this company secured its limits by an average excess bid of but 6 p.c. above the next competitor. This mysterious company that possessed no domicile, whose home was a Winnipeg post office box, whose communications had to pass through an Ottawa lawyer or banker, acquired for less than \$55,000 during these three years 417 square miles of timber limits that must have a value to-day exceeding \$1,000,000.

ITS METHODS ILLUSTRATED:

T. D. NO. 1031.

The first appearance of the Imperial Pulp Company on the records of the department is in reference to timber limit No. 1031. In the summer of 1902 a local Edmonton syndicate sent an exploration party to examine the timber along the upper waters of the North Saskatchewan river. In conformity with their report, application was made to the department to put up 118 square miles in eleven blocks. The applicants asked that there be no unnecessary delay as they wished to construct a saw mill and commence operations at once. The government, however, did not act with alacrity. A delay of two months and more ensued, during which time John Cameron, homestead inspector at Edmonton, was despatched to the upper waters to examine the timber and make report—a commendable proceeding and one that should have been followed in all cases. But—and mark this—it had the additional advantage in this instance of placing “the inner circle” at Ottawa in possession of full information as to the value of these limits. Finally, on the 19th of November, the notices were issued putting up the entire area for competition as a single proposition.

HURRY-UP SALE.

Forty-two days were allowed from the issue of the notice to the date of opening bids. One advertisement appeared in the Edmonton Bulletin about December 1. This gave about four weeks to outsiders to acquire information on which to make competitive offers. That this length of time was wholly insufficient is shown by a letter on file from W. S. Dwinnell, who represents Minneapolis capitalists, and who had also a large interest in the Edmonton Lumber Company. Mr. Dwinnell in his letter says: “I have been endeavoring to secure information which would enable me to act intelligently, but have not had sufficient time to do so. I would ask you to have this sale postponed for thirty or sixty days, preferably the latter, to the end that I may complete an examination and make a substantial bid for the property. I am satisfied that the interests of the Dominion government would be subserved thereby, and that a much larger bid would be received than if the sale took place at this time. This tract, comprising, as it does, 118 square miles, is so extensive, that the time given under the notice is altogether insufficient to permit any one to make proper examination thereof.” It is the same story disclosed in connection with other transactions, “insufficient time,” “tract too large.” A further letter from Messrs. Crafts & Lee, of Edmonton, asks “Must the tenders be on each block separately, or in the whole” intimating that if so large an area be put up at one time there were few possessed of sufficient capital to bid upon it. It meant shutting out the small Edmonton manufacturer and granting every advantage to the wealthy Ottawa speculator.

INSIDE CIRCLE KNEW.

But the department did not postpone the sale as asked by Mr. Dwinnell. Presumably sufficient information was by this time in the possession of those in whose behalf information was desired. The bids were opened on December 31, 1902. They were as follows, omitting several smaller offerings:

- (a) T. A. Burrows, \$6,057.
- (b) James Ross on behalf of Edmonton syndicate, \$17,010.
- (c) H. & K. McDonald & Frith, \$31,161.
- (d) The Imperial Pulp Company, \$31,575.

The tender of the Imperial Pulp Company was a model of brevity. It read:

Toronto, December 29, 1902.

To the Secretary, Department of the Interior, Ottawa:

Sir,—Enclosed please find tender for timber berth No. 1031.
—Yours truly, (Signed) Imperial Pulp Co., Toronto.

The regular form of the department was not used. No amount as bonus was specified. Marginal notes on the original showed that there were two cheques, the first for \$17,575, and the second for \$14,000. It was brought out as evidence that these cheques were manager's cheques on the Ottawa office of the Bank of Ottawa, handed to T. A. Burrows in exchange for deposit. The letter purports to have come from Toronto, the cheques from Ottawa. Mr. Burrows seems to have been the instrument of their union. Now it will be noted that the larger of these cheques, \$17,575, slightly exceeds the bid of James Ross and the Edmonton syndicate. Just before 12 o'clock the tender of the McDonalds arrived for \$31,161. The addition of the second cheque for \$14,000 to the previous cheque of the Imperial Pulp Company for \$17,575, would give a total of \$31,575, sufficient by a small margin to exceed the McDonald bid. Is it any wonder the question is asked, "Was this coincidence or design?"

BURROWS WAS AHEAD.

Edmonton advices show that the local syndicate was represented in Ottawa on the day the tenders were opened by Frederick E. Moroney, who brought down the \$17,010 Ross cheque. This party told on his return of his experience and impressions. You will find his story, as repeated by Dr. H. L. McInnis, in the Edmonton Weekly Journal of February 28, 1908. After stating that the Edmonton syndicate sent a man to Ottawa with a marked cheque the citation reads, "When the man got there a tender had been submitted by Burrows for \$6,610. The man was at the office a few minutes before the tenders were opened. The tender was taken inside and in the meantime a conference took place and a blank cheque signed by Burrows was filled out. This made Burrows' total amount \$31,110, and so he got the berth." The figures may not be quite accurate, but it is plain that, rightly or wrongly, the Edmonton representative believed that his tender

was tapped. Certainly the circumstantial evidence in regard to this transaction does not tend to remove that impression.

It is estimated that limit No. 1,031, of which we are speaking, will produce 75,000,000 feet of sawn lumber. All the timber lies close to the river. At a reasonable valuation this limit is worth to-day \$250,000.

T. B. NO. 1122.

On November 27, 1903, Burrows' timber cruiser, Archie McLean, made application to have seven widely separate tracts of selected timber, located on the McLeod and Pembina rivers, tributaries to the Athabasca, and aggregating in all 110 square miles, put up for public competition. The department acted with great despatch. Advertisements were issued on the 15th of December, 1903, and bids were called for to be opened on the 27th of January, 1904. Between the issue of the advertisement and the opening of the bids the gross time was 43 days, but for any one in Edmonton desirous of visiting the limits the time available was but a month. Now merely to make the tour of these seven widely separated tracts, passing from one to another and returning to Edmonton, would require a journey of 450 miles. This in itself would take a couple of months, allowing no time for examination. No condemnation can be too severe on the department for thus putting up so large an area in such scattered tracts in a single competition. It practically shut out the local Edmonton dealers from anything like a fair deal. The bids were opened on the 27th of January, 1904. They were as follows:

- (a) McDonald & Frith, Ottawa, \$1,220.
- (b) J. H. Lamont, Prince Albert, \$4,000.
- (c) Kenneth A. McLeod, P.O. Box 175, Edmonton, \$10,025.
- (d) A. W. Fraser (Imperial Pulp Company) \$11,000.

HANDY SECOND CHECK.

The offer of the Imperial Pulp Company was in the form of a letter written by Lawyer Fraser of Ottawa. Marginal notes on the originals indicate that two cheques were given—one for \$5,000 and one for \$6,000. Mr. Fraser under examination has stated that he wrote the letter and handed it in an unsealed envelope to Mr. Burrows. Mr. Finnie, Local Manager of the Bank of Ottawa, has testified that he gave Mr. Burrows two managers' cheques for these amounts on the morning of January 27, in exchange for deposit. The cheque for \$5,000 was accepted first. It will be readily noticed that the \$5,000 cheque would have been sufficient to have captured the limit over the Lamont bid, but that it required the combined cheques to exceed the McLeod offer. The limit was transferred the following day to the Imperial Pulp Company by whom it is held to-day. Again may I ask was this coincidence or design?

It has been the cause of many protests and numberless petitions from settlers several hundred of whom were for some years shut out from obtaining building material for local needs by the granting of track No. 1 of this berth, but what cares this govern-

ment for the settler in comparison with its solicitude for the interests of those connected with the Imperial Pulp Company!

IMPERIAL CORNERS TIMBER.

And now to recapitulate. The Imperial Pulp Company has secured practically the whole reserve supply within 150 miles radius of Edmonton. Their holdings in this region cannot be worth to-day less than \$750,000. They will probably realize far more than this if they continue to hold and only sell when increased demand adds to present value. Their method of tendering was different in every particular from the recognized practice of the department. The public advertisement which invites tenders calls attention to the fact that the department is prepared to furnish on demand a printed form of tender. This form indicates that the bidder is expected to state the amount he offers as bonus and give the name of the bank upon which his accepted cheque is drawn. This form was generally used by its competitors, but never by the Imperial Pulp Company.

In their tenders the amount offered as bonus is rarely stated. Double cheques are often used. The margin of excess is perilously small, but never less than is required. All things considered—these unusual methods—this unvarying success—point to but one conclusion, that there must have been irregularity in the tendering.

THE PRINCE ALBERT DEAL.

The brother-in-law of the ex-Minister of the Interior was not content to secure limits for himself but he found it profitable to lend his influence for a consideration. No better illustration of this can be given than to repeat the story of the Prince Albert deal which discloses at the same time a betrayal of public trust without parallel even among these remarkable transactions.

This is the history of the Big River Lumber Company and of its satellite the Fraser-Munson combination. On the 17th of January, 1903, Messrs. Urquhart, Richards & Pattinson, real estate agents, of Winnipeg and St. Paul, wrote to the department, "on behalf of a syndicate of American financial men," making application for fifty blocks of timber of ten miles each at the headwaters of the Churchill river, indicating a selection area of 7,020 square miles, the southeastern corner of which would come within twenty-five miles of Prince Albert. It was a most unprecedented demand. The quantity of timber land and the area of selection were very much greater than that was ordinarily applied for. The department, however, appear to have had no hesitation in granting the request. With wonderful alacrity, that is within less than a fortnight after receipt of this application, the advertisement was issued calling for bids.

MAGNITUDE OF THE PROPOSITION.

It is difficult to realize the magnitude of this proposition: Fifty blocks averaging ten miles each, to be selected within an

area of 7,020 square miles in extent. This means a strip of continuous woodland four miles wide stretching as far as from Montreal to Ottawa, selected from an area 100 miles in length by seventy miles wide. To secure this meant to possess a monopoly of Prince Albert's vast timber reserves.

The delay allowed for inspection was in inverse ratio to the magnitude of the proposition. Much longer time has frequently been granted to explore far smaller limits. It was advertised once in the Manitoba Free Press and once in the Prince Albert Advocate. The advertisements left Ottawa the 28th of January and the bids were to be back in Ottawa by the 7th of March. This meant thirty-eight days from Ottawa to Ottawa, it allowed less than one month for the lumbermen of Prince Albert, after learning of the proposal, to explore and bid.

BUNCH OF PROTESTS.

No sooner did the news reach Prince Albert than there were protests galore. This enterprising northern town of Prince Albert, is the centre of the saw mill industry for western Saskatchewan. There are a number of lumber manufacturers at this point whose future supply it was realized was being threatened. The Board of Trade held a meeting and passed unanimously a strong condemnatory resolution. The mayor of Prince Albert also protested, forwarding to the Hon. Clifford Sifton the following telegram: "People of Prince Albert protest against sale of timber berths north of river timber limits passing into hand of speculators to the detriment of settlers. (Sgd.) J. F. Austull, Mayor." The objections of these practical men were well founded "the area tendered for is too large;" "few have capital sufficient to tender for so large a block;" "we protest against limits passing into the hands of speculators to the detriment of settlers;" "we ask that the time for receiving tenders be extended for six months to enable lumbermen to examine limits for themselves." Such were the reasonable demands of the people best acquainted with the facts of the case. "Put this area up in smaller blocks, and grant us longer time," said they, "and we will tender." To all this Mr. Turriff made curt reply: "It is not thought advisable to make any change."

NO COMPETITION.

And so the bids were opened on the 7th of March, 1903. There was no competition worthy the name. The Prince Albert operators, deterred by the prospect of a large bonus being required, made no effort to bid. A. W. Fraser, K.C., of Ottawa, president of the Ottawa Liberal Club, using the name of Wm. Cowan, but acting on the instructions of T. A. Burrows, this latter gentleman likewise furnishing an unidentifiable manager's cheque exchanged for his own, put in one bid of \$5,000 for first choice (1,048), and likewise, writing a letter under the borrowed name of John McBain, put in another

bid of \$1,000 for (1,049) the second choice. So the whole 500 square miles, as was expected and from the first intended, were knocked down to the Ottawa lawyer and to those whom he represented for the insignificant sum of \$6,000. When it is recalled to mind that during the two previous years the average bonus obtained by the department had been \$150 per square mile, it will be seen how preposterous it was to let this vast area go for only \$12 per mile. Two cents per acre for selected spruce covered timber land was the bonus price accepted by this government.

BURROWS UNLOADED.

Now these limits Nos. 1048 and 1049, though the former purported to be held by the Big River Lumber Company and the latter by lawyer A. W. Fraser, were really acquired by Burrows and his associates. Before the limit was explored, before the blocks were selected, Burrows sold his half interest in the Big River Lumber Company and Fraser's interest in the John McBain lease for \$80,000 which sum he has been paid by the purchasers in cash. In a previous debate it was alleged that this limit had been secured by William Cowan of Prince Albert, and much political capital was made by pointing out that Mr. Cowan was a Conservative. Had Mr. Cowan, however, asked for this limit for himself he would never have succeeded in getting it. The co-operation of Burrows, *et al.*, was the force that drove the deal through despite all protests. Before full ownership passed to Mr. Cowan's company, Burrows, the middleman, whose "pull" worked the department, pocketed \$74,000 net cash for his influence. Had these berths been put up in blocks of fifty square miles at a time, as asked for by the Prince Albert Board of Trade, with six months given to prospective bidder in which to examine the timber, any one of the ten areas would have brought a bonus of \$6,000 or more. The Prince Albert timber dealers—Cowan excepted and he had to pay the price—have been shut out of their natural rights; the country has been defrauded of its just return, in order that Brother-in-law Burrows might further add to his rapidly accumulating fortune.

VALUE OF TIMBER WHEN PROPERLY PUT UP.

As proof of the value of timber in this locality let me refer you to a transaction which took place shortly after in connection with lands controlled by the Indian department. In 1906 the timber surrounding Sturgeon lake, within the limit of Indian reserve No. 101, comprising an area of thirty-five square miles, was put up to auction. This belt lies about midway between the southeastern corner of the "Big River Lumber Company's" selection area and the town of Prince Albert. The sale was well advertised, notices being issued on the third of July and insertions appearing as follows:

Manitoba Free Press, six insertions, consecutively.
The Times, Battleford, weekly, three insertions.

The Phoenix, Saskatoon, three insertions.

The Advocate, Prince Albert, three insertions.

Bids were opened on the 30th of August, 1906. The competition was keen. The following were the offers received:

(a) J. H. Sanderson, \$21,300.

(b) Prince Albert Lumber Company, \$27,600.

(c) Sturgeon Lake Lumber Company, \$28,000.

It will be seen the limit brought \$800 per square mile or \$5.60 per thousand feet standing. When one considers the fact that only such timber may be cut as would measure 10 inches in diameter at a distance of three feet from the ground it will be seen what a limit in this part of the country, put up under proper conditions, may be expected to bring. What can be said of a government that permits 500 square miles of timber to be sold for \$12 per square mile, when in another branch of the service, but a short time later, similar timber properly advertised in a contiguous area brings \$800 per square mile.

In view of these transactions, and there are many like them which may be quoted, is it any wonder that His Majesty's Opposition in the House of Commons denounces the present administration for its action in respect of the western timber lands? Yet when these transactions are unearthed the member who has the hardihood to expose them in the House and country is at once characterized as a slanderer and a calumniator by the government supporters and by the Liberal party press. But the facts are there and cannot be denied. The Royal Commission on the Civil Service, although they were unable in their famous report to devote more than eight lines to the Department of the Interior, could not refrain from expressing the following opinion "The Commissioners regret extremely that with the short time at their disposal they were unable to visit the Northwest, much as they desired to see *how the land, and more especially, the timber sales are affected.*"

RESTITUTION.

In the House of Commons the Opposition moved on the 19th of May, 1908, that a "full and unrestricted investigation be made and such available proceedings taken as may be necessary to revest in the Crown any timber lands in respect of which fraud or imposition has been practised." We believed then as we believe now that in taking up this fight we were making a just demand, not only for investigating but for restitution. If these timber areas have been acquired by fraud or imposition the holders of them are the possessors of stolen goods and should be made to relinquish them for the benefit of the state. If the Conservatives come into power there will be such an investigation and if, what we believe to be true can be proven, the people of this country will become richer by many millions through the recovery of natural wealth which has been wrongfully taken from them.

PART II.—THE AGRICULTURAL LANDS.

THE PRAIRIE LANDS.

The story of speculation in connection with the development of the agricultural belt is similar. The present government has acted as though the quantity of land within the wheat belt was inexhaustible. As a matter of fact, within three years at the outside, if the present rate of settlement continues there will be few free homesteads left in the prairie belt between Winnipeg and Edmonton. In view of the fact that the government must have known that the available homestead land was rapidly coming to an end, we have criticized them severely for their lavish generosity in connection with the public domain.

The criticism has centered on three features of their administration:—

1st, the lavish issue of scrip; 2nd, the toleration of fake homesteading; and 3rd, the sale of homestead land to speculators.

HALF BREED SCRIP.

The original idea of the government in issuing scrip to the half-breed was to cancel the aboriginal right to the land. The Indians were gathered together and, placed upon reservations, they became the wards of the government, but to each half-breed was given 240 acres of land, which he might select wherever he saw fit. Prior to 1896 the Conservative administration settled practically all the legitimate half-breed claims, but when the Liberal government came into power they re-opened this matter and admitted many demands which had little valid foundation. They even went so far as to give scrip to many half-breeds living in the United States. Nearly 962,000 acres have been thus granted and located since 1896.

Thus there fell into the hands of speculators the right to acquire large areas of homestead land and many a tract in the most desirable sections of the west is to-day covered with half-breed scrip, the present holders not tilling the land, but holding it until that which cost perhaps 50c. can be sold for \$10 an acre.

This is a great drawback to the *bona fide* settler who is forced to go far from the railroad, because the land which should have been his is held by speculators.

BOGUS HOMESTEADING.

We might dwell at some length upon the hardships endured by the homesteader who, for the sake of obtaining 160 acres of prairie land, is willing to perform the settlement duties which the regulations impose. When he has worked faithfully for three years the homesteader is certainly entitled to become the owner of his land, but, as land has grown more valuable, there have been many who have desired to possess it without working for it. These have blanketed homesteads and evaded the performance of their duties. Thus the development of large areas has been retarded. The government has winked at these abuses and their

favorites have profited through their indulgence. During several years the Conservative Opposition in Parliament has taken up the fight on behalf of the settler. We have demanded that the government should release the lands illegally held and should throw them open to *bona fide* homesteaders.

We pointed out that 15,000 entries stood upon the books as unaccounted for. We showed by reports from Dominion land agents, which had been garbled and suppressed by the government, that these agents realized the extent of the abuse and demanded their reformation.

The Minister of the Interior declared that there existed no just ground for complaint. We proved the contrary, moving a resolution demanding an investigation. The resolution was voted down, but the west was with us and finally the "Winnipeg Free Press," the organ of the Liberal party, admitted in its editorial columns that we were right, publishing this statement:—"In some districts the homestead lands are all tied. . . . Behind the forms of law, a daring cold-blooded hold-up and swindle is being perpetrated." Then, at last, the government undertook a partial investigation and an inspection was made in four agencies and no less than 1,712 cases discovered where homesteads improperly held down, should be released. Thus was the right of the settler vindicated.

THE SASKATCHEWAN VALLEY LAND DEAL.

The Liberal party in 1893 held a convention at which a platform was drawn up. It contained many planks which were presented to the country as promises to be fulfilled if a Liberal government was returned to power. Among these pledges were those to abolish the senate, to reduce taxation and expenditure, to cut down the public debt, all of which have been broken. But one of the planks of that platform was the following:—"That in the opinion of this convention the sales of public lands of the Dominion should be to actual settlers only, and not to speculators." We contend that this promise also has been completely shattered. Nowhere is this more clearly demonstrated than in that transaction known as the Saskatchewan Valley Land Company's deal.

In the middle West, between Regina and Prince Albert, there lay a stretch of country which did not receive early settlement. It was regarded by some as semi-arid, but Dominion Colonization Agent Speers, one of the best authorities in the west in his time, believed and said that this belt could support a thriving agricultural population. He reported his belief to the government and requested that he be given an opportunity to establish an experimental farm to show what could be done with the land. At that time Mr. Turiff was Land Commissioner of the government. He appears to have turned a deaf ear to Mr. Speers' request. But Mr. Turiff had a brother-in-law by the name of Adamson (they both have since become members of parliament). and Mr. Adamson formed a syndicate for the purpose of acquiring land in the Saskatchewan Valley.

First of all the syndicate purchased from the Qu'Appelle Long Lake and Saskatchewan railway their right to select 800,000 acres of land. Now so long as the government had been dealing with it, this railway company had been compelled to select its land from among the areas refused by other railway companies, but, no sooner had Mr. Adamson and his friends purchased the railway's right, than it was found that the area of selection had been altered so as to take in what was left in the belt previously reserved for the Manitoba and North Western Railway Company, where there was still available much excellent land, so that it became no longer difficult to satisfy the grant. This kind treatment by the government increased the value of the railway grant enormously.

NOR WAS THIS ALL.

Mr. Adamson's company next purchased from the government (brother-in-law Mr. Turiff being land commissioner at the time) 250,000 acres, of intervening homestead land which was sold to them for only \$1 an acre upon settlement conditions. With the altered area of selection for their railway grant and with the right to purchase homestead land in 63 townships at \$1 an acre, Mr. Adamson's company, or as it was called the Saskatchewan Valley Land Company, had a concession of great value. They proceeded to sell the land which had cost them \$1 an acre for from \$6 to \$10 an acre. Within two years all lands bought from the government had been sold and it is estimated that the profit of the company on this transaction reached \$1,000,000. Had the homestead lands not been sold to the syndicate, they could have passed directly into the hands of the settler. As it is the settler has had to pay from \$8 to \$10 an acre to the middleman. When the Conservative opposition asked this government how they could justify such a transaction and make it conform with the principle laid down in their convention platform they were silent. It was but one more of their repudiated promises.

PART III.—THE GRAZING LEASES.

Turning now to an examination of the grazing areas we find a condition of affairs by no means different. It has been generally recognized that the business of ranching is of a more or less temporary character to be continued so long as the land is not required for the settler. Thus it is that the grazing area is gradually shrinking, since on all sides the advance posts of settlement are encroaching upon it. This condition of affairs was clearly recognized by the Conservative government when in power, and all leases by them granted to ranchers contained a clause permitting the government to revoke the grazing privilege upon two years' notice, if the lands were required for other purposes. This law was in force when the Liberals came into power. It was followed for the first few years by their administration. But Mr. Sifton, as Minister of the Interior, had all power placed in his own hands. He gradually acquired the right to decide the terms

and conditions under which the public lands should be alienated. He secured power from the cabinet to grant leases from which the irrevocable clause might be cancelled and by which the rancher might be permitted to purchase at \$1 an acre one-tenth of his lease-hold.

Then, like William the Conqueror, Mr. Sifton, after the election of 1904, sat down to parcel out his domain among the electoral barons who had rendered service in conquering the west at the ballot-box.

In the early months of 1905 eight grazing leases were granted, to friends and supporters of the administration, from which was purposely omitted the "revocable" clause. These leases covered an aggregate area of 516 square miles, the rental being 2c per acre per annum.

Let us examine a few of these concessions. First there was a lease granted to C. E. Hall for 60,000 acres of grazing lands in the Milk River country. This lease almost immediately passed to the Milk River Cattle Company, an organization in which A. E. Philp, of Brandon, ex-law partner of Clifford Sifton, is the moving spirit. Another, the lease to the Glengarry Ranch Company, was issued because its principal shareholder is a Liberal politician of note, recently nominated in Southern Alberta as a candidate for the Commons.

TWO OTHER LEASES HIGHLY INTERESTING.

Two other interesting leases were also granted at that time, one to Jim McGregor, of Brandon, and the other to A. E. Hitchcock, of Moosejaw, two gentlemen closely associated in election matters with the Honorable Clifford Sifton. These leases, which covered 94,000 acres, were amalgamated under the name of the Grand Forks Cattle Company, and this company secured the right to purchase 9,400 acres within the leasehold at \$1 an acre. Mark the history of this lease. In 1906 an English company, formed for the purpose of developing an irrigation scheme, found that they must buy out Messrs. Hitchcock and McGregor in order to make their enterprise a success. Thus it was that the Southern Alberta Land Company came to pay for the property and lease of the Grand Forks Cattle Company the sum of \$650,000. Of this amount \$250,000, must be credited to the value of the irrevocable closed grazing lease. The land which they had a few months before purchased at \$1 an acre with a slight addition making it about 10,000 acres in all, was sold to the company for \$137,000. By such transactions it is that the favored few, permitted by the present administration to obtain special privileges, become in consequence multi-millionaires.

STORY OF THE GALWAY HORSE AND CATTLE COMPANY.

Another lease was taken out in the name of H. P. Brown, of Great Falls, Montana, covering 60,000 acres, just west of the junction of the Bow and Belly rivers. The application of Mr.

Brown appears to have sped from Montana to Ottawa in the course of a single night, as it is dated Great Falls, Montana, 26th May, and is stamped as received in Ottawa the following day. Immediately upon application the government granted Brown his lease. They then undertook to secure payment of the first half-year's rent. But although they appear to have searched diligently for upwards of two years for H. P. Brown, he never was found during all that time. The tract, however, was reserved for him. No settlers were permitted to enter thereon, although they petitioned for the right to do so. No rancher could graze his stock upon these acres and although no rent was paid the land was reserved for H. P. Brown.

At last, under criticism, the Department of the Interior appears to have concluded that Mr. Brown must be found or the lease cancelled. Then a strange thing happened. A. J. Adamson, M.P., called at the department, the day after parliament had risen, and presented a transfer of the lease from H. P. Brown to the Galway Horse and Cattle Company, of which Adamson was practical owner, which transfer Adamson had held for more than a year and on which his company claimed the lease.

The whole upshot of the matter was this—Adamson, under the name of the Galway Horse and Cattle Company, was given an irrevocable closed grazing lease and was forgiven all the overdue rent. Now Adamson did not want the lease for himself. He was a timber merchant from northern Saskatchewan. But, having acquired the lease he forthwith let it be known throughout southern Alberta that it was for sale to the highest bidder. He disposed of it in this way. A rancher by the name of John Cowdry came to Ottawa in person to obtain if possible an irrevocable lease. But Cowdry was a Conservative and though he importuned the department for six long weeks, his prayer was in vain. He was finally forced to buy from Adamson, Liberal M.P., the lease which that worthy had no intention of using, for which Cowdry paid a sum exceeding \$20,000.

Thus it is that Liberal members from the West secured concessions, hawk them about the country and finally sell like merchandise privileges which a *bona fide* rancher cannot obtain.

PART IV.—THE IRRIGATION AREAS.

The irrigation area can also furnish evidence of the carnival of graft existing under the present regime. Southern Alberta with its sunny climate and its mild winters is admirably adapted for agricultural purposes if only water is available for the land. But the individual farmer cannot undertake to bring water to his crop. This is an enterprise requiring co-operation. Hence irrigation works are either constructed by the state or undertaken by corporate enterprise. South of the border the American government has developed much of the land as a national undertaking and has sold it to the farmer at cost. We have rather inclined

in this country towards the encouragement of private enterprise. The excellent irrigation law in force in Canada was passed in 1894 when Mr. Daly was Minister of the Interior. When the act was introduced that minister stated that it was "to encourage investment of capital while protecting the individual." This principle is sound—the investor is entitled to his profit but the tiller of the soil should not be compelled to pay an exorbitant price for the land he purchases.

STORY OF THE ROBINS IRRIGATION CONTRACT.

On the lines of Mr. Daly's maxim the Conservative opposition, during the session of 1906-7, strongly condemned a transaction put through by the present government known as the Robins irrigation contract. The circumstances were these: Guy Tracy Robins, an Englishman, visited this country in the fall of 1905. He secured from the government an irrigation contract whereby his company should obtain 380,000 acres of land at \$1 an acre provided one-fourth thereof was put under irrigation. This tract included the Grand Forks Cattle Company leasehold, so this organization had to be brought into the deal, likewise Messrs. McGregor and Hitchcock. The next that was heard of this transaction was that the Southern Alberta Land Company, a London corporation, had purchased the Robins contract and the assets of the Grand Forks Cattle Company for \$1,500,000. Upon examination we found that the Robins Irrigation Company consisted of Messrs. Hitchcock and McGregor, Mr. Sifton's familiar friends and that Guy Tracey Robins had no interest whatever.

Now, the sale to the English company at this enormous figure meant that half of the sum paid went for promoters' profits.

This huge amount necessarily must be repaid by the sale of land. Had this irrigation proposition been floated on a business basis the capitalization of the company would only require sufficient money to buy the land from the government and to construct the irrigation works. Had such a course been pursued the land could have been sold to the settler and a handsome profit realized without advancing the price beyond on an average of \$6 an acre.

As it is, with the great burden of the promoters' profits, the land must be sold so as to realize \$12 the acre, as the British investor will be disappointed if the lands are not sold at a sufficiently advanced figure to cover his outlay and repay the promoter's profits.

But if the investor is to be satisfied, the purchaser who eventually tills the soil, must pay double value for his irrigated land. In other words, it is the farmer who must reimburse the enormous sum of about \$850,000 which Messrs. Hitchcock and McGregor have received by way of promoters' profits. The speculative aspect of this transaction might and should have been prevented. When the government several years ago granted 500,000 acres of land for irrigation purposes to the Canadian Northwest Irrigation Company they put a clause into that contract compelling the company to sell its land, exclusive of water right, at a price not exceeding

\$5 an acre, but, although the department officials recommended that such a course be followed in this case, no such clause was put into the contract with the Robins Irrigation Company. There is therefore no limit on the price which the farmer may be charged.

It was contended by the Liberals in support of this transaction that a large sum had to be allowed for promoters' profits in order to interest the British investor in Alberta lands. The Opposition took the stand that Canadians had faith in their country, that, if western land could not be rendered fit for agriculture except at such an enormous sacrifice, it was time that the government of Canada made the land cultivatable and resold to the farmer at actual cost.

PART V.—THE COAL AREAS.

THE COAL REGIONS AND THE SPECULATOR.

The coal areas furnish similar evidence of improvidence, favoritism and graft. Although the law contemplated that not more than half a square mile of coal lands could be obtained by one person, Ottawa lawyers, using the names of stool-pigeons, secured and on small payments held for years, large areas, in some cases 50,000 acres and more at a time, on behalf of speculative clients. Out of 312,000 acres of coal lands sold and leased not 40,000 acres are held by operative companies and not 10,000 acres are being worked.

Fully three-quarters of the coal belt is to-day held by speculators who expect to be bought out by the *bona fide* coal companies of the future.

There was no excuse for letting these mineral lands of the people pass into private hands before they were accessible and before any attempt had been made to ascertain their value. The bulk of the coal bearing territory should have remained in the hands of the government, as trustees of the people, to be held as a guarantee against monopoly of this great necessity in the future.

The day will come when the short sighted policy that has permitted immense areas to prematurely pass into the hands of the friends of this administration will be roundly condemned by the millions of settlers who must depend on these great national fuel areas for their supply.

PART VI. -THE INLAND FISHERIES.

Even if we go up to the far north, we find that the fishing of the large inland lakes has also been given away to speculators for a bagatelle.

F. H. Markey, a Montreal Liberal lawyer, secured by Order in Council a twenty-one year lease of extensive waters for a bagatelle. Listen to the list:—Nelson River to Hudson Bay; Nelson River Bay, 100 miles of shore line; Hays and Pigeon rivers, their entire length, and Great Slave Lake, a body of water with an area of 10,719 square miles—all this for \$10 a year.

To-day a large American corporation is shipping out fish

from these lakes and rivers, and depleting the waters for the future.

J. M. McKenzie secured the fishing rights of Lake Athabasca with an area of 2,842 square miles, and of Lesser Slave Lake, covering 480 square miles—exclusive privileges for nine years renewable for 9 years more—at \$10 per year; and there are other cases quite as outrageous.

THE BLAIRMORE TOWN SITE.

Did time permit, it would be possible to tell you of the Blairmore Town site transaction, whereby a Liberal parliamentary candidate, acquired a title which in the first instance was obtained by untrue and fraudulent statements and thus became possessor of a \$200,000 town site, in the enjoyment of which he was established by the fact that the Minister of the Interior would not allow the courts to proceed with the case to disprove his title.

CONCLUSION.

WHAT ARE YOU GOING TO DO ABOUT IT?

To every new nation comes its great opportunity. To the United States it came forty years ago when the rush to the west was in full swing. To us Canadians the awakening has come with the beginning of this new century. We had the experience of those south of the line, with their mistakes clearly before us, to guide those into whose hands the destiny of our west had been entrusted.

Up to 1900, the lands, forest, coal areas and fisheries of the Canadian west were still in the hands of the nation. The speculator came, saw and conquered.

To-day the speculator holds large areas of our agricultural land waiting for his price:—

He holds 50 per cent. of all the timbered regions under lease in three provinces, which he will not cut over, but which he will sell at many times the original cost;

He holds valuable closed irrevocable grazing leases;

He has acquired irrigation contracts that afford no protection to the ultimate small purchaser;

He controls four-fifths of the coal supply of the future;

He has secured for nothing and resold for much, the right to exterminate the food fish of the inland lakes.

All this, and more, the speculator has obtained with the assistance and approval of a political party, that in opposition, preached "land for the settler." What are you going to do about it? Re-elect men who have so flagrantly violated their pledges? I hope not. It is time for a change. Put a new set of men in control with a mandate to recover for the people of Canada the lands and resources which through fraud or imposition have passed into the grafter's hands. Let Restitution be your watchword in the next campaign and do not stay your hands till this has been accomplished.